

Message Text

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SUBJECT: LABOR NEGOTIATIONS AT SYDNEY STEEL CORPORATION.

1. FOR THE PAST FEW WEEKS NEGOTIATIONS HAVE BEEN GOING ON BETWEEN THE MANAGEMENT OF THE SYDNEY STEEL CORPORATION (SYSCO), A CROWN PROVINCIAL CORPORATION, AND THE MEMBERS OF LOCAL 1064 OF THE UNITED STEEL WORKERS, WHO WORK IN THE PLANT, TO REACH A NEW CONTRACT. TWICE THE UNION LEADERS HAVE RATIFIED AGREEMENTS, ON JUNE 7 AND JUNE 28, WITH MANAGEMENT, AND ON BOTH OCCASIONS THE UNION MEMBERS HAVE REJECTED THE AGREEMENTS REACHED BY THEIR LEADERS.

2. THE JUNE 28 AGREEMENT COVERING A TWO YEAR PERIOD WHICH WAS REJECTED BY A VOTE OF 1635 TO 703 ON JULY 10 WOULD HAVE GIVEN THE MEN A 26 PERCENT BASE RATE INCREASE AND IMPROVED PENSION AND COST-OF-LIVING BENEFITS. THE AGREEMENT WOULD HAVE GRANTED THE WORKERS AN OVERALL WAGE PACKAGE EASILY SURPASSING THAT OF THE STEEL COMPANY OF CANADA IN HAMILTON, ONTARIO (A PRIVATE CORPORATION) IN A MUCH MORE AFFLUENT PART OF THE COUNTRY. AVERAGE WAGES WOULD HAVE RISEN TO 11,000 DOLLARS FROM 8,900 DOLLARS ANNUALLY PLUS BENEFITS.

3. A COMPANY SPOKESMAN SAID, AFTER THE SECOND REJECTION

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BY THE UNION MEMBERS, THAT SYSCO WAS LEGALLY BOUND TO

GO FOR CONCILIATION, BUT IT WAS DIFFICULT TO SEE HOW THERE COULD BE CONCILIATION WHEN BOTH PROPOSALS TO THE UNION RANK-AND-FILE HAD BEEN ENDORSED BY THE LOCAL 1064 EXECUTIVE.

4. THE SECOND OFFER TO THE UNION WOULD HAVE COST THE COMPANY AN ADDITIONAL 8 MILLION DOLLARS ANNUALLY. LAST YEAR THE CORPORATION SUFFERED A 24 MILLION DOLLARS LOSS AND EXPECTS TO RECORD FURTHER LOSSES THIS YEAR.

5. ON JULY 23 WORKERS AT SYSCO WALKED OFF THEIR JOBS ALLEGEDLY ANGRY BECAUSE OF SLOWNESS OF THE PROVINCIAL DEPARTMENT OF LABOR IN APPOINTING A CONCILIATION OFFICER. PETER NICHOLSON, WARNED THE WORKERS THAT UNREASONABLE WAGE DEMANDS BY STEELWORKERS WERE COMPLETELY DIS-HEARTENING NOT ONLY TO THE GOVERNMENT BUT TO THE PUBLIC IN GENERAL. HE SAID THAT UNLESS COSTS FOR PRODUCTION BORE SOME REASONABLE RELATIONSHIP TO THOSE OF COMPETITORS, THE PLANT WILL BE AT AN OBVIOUS DISADVANTAGE, AND IN THE LONG RUN COULDN T SURVIVE .

6. ON JULY 24, HAVING HEARD THAT THE PROVINCIAL LABOR DEPARTMENT IS TO APPOINT A CONCILIATOR SHORTLY, THE WORKERS, ACCORDING TO CANADIAN BROADCASTING CORPORATION NEWS ON THE NATIONAL NETWORK, ARE RETURNING TO WORK PENDING THE RESULTS OF SUCH CONCILIATION.

7. IN 1970 SYSCO PRODUCED JUST OVER ONE MILLION TONS OF STEEL. DURING THE PAST FISCAL YEAR ONLY 850,000 TONS WERE PRODUCED AS THE PLANT IS UNDERGOING AN EXTENSIVE RENEWAL PROGRAM. THE PLANT IS THE LARGEST EMPLOYER IN CAPE BRETON WITH A WORK FORCE OF ABOUT 3,000 PEOPLE.
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